



"To enrich lives through effective and caring service"



Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

July 12, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 JULY 12, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**NON-EXCLUSIVE BEACH BEVERAGE SPONSORSHIP AGREEMENT
(3RD AND 4TH DISTRICTS) (3 VOTES)**

SUBJECT

This action is to award a sponsorship agreement to A & A Levine Enterprises, LLC, doing business as "Mayim Enterprises", which will provide a maximum of 100 beverage vending machines on beaches owned or operated by Los Angeles County and in the public areas of Marina del Rey to be a source for beachgoers and Marina visitors of water and other healthy beverage choices. In exchange, A & A Levine Enterprises, LLC will provide the County with \$662,500 in cash, plus 25% of all revenue from advertising sales, during the agreement's potential six-year term.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find this proposed agreement is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to classes 4 (f) and (j) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Authorize and instruct the Mayor of the Los Angeles County Board of Supervisors to sign four original copies of the attached Non-Exclusive Beach Beverage Sponsorship Agreement (Exhibit A), effective upon your Board's approval, which grants the proposed sponsor the non-exclusive right to place, operate and sell beverages from vending machines on Los Angeles County beaches and in Marina del Rey; advertise its name identification on the front of each vending machines; and sell advertising space on the front and sides of the vending machines to third parties. For these rights, A

& A Levine Enterprises, LLC, doing business as “Mayim Enterprises”, will make annual payments to the Department of Beaches and Harbors totaling \$287,500 for the three-year term of the Agreement, plus 25% of all revenue from advertising sales, with one additional three-year option for an additional \$375,000 over the three years.

3. Grant the Director of the Department of Beaches and Harbors, with the concurrence of County Counsel, the authority to execute nonmaterial amendments to the Non-Exclusive Beach Beverage Sponsorship Agreement (Exhibit A).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the Non-Exclusive Beach Beverage Sponsorship Agreement (Agreement) with A & A Levine Enterprises, LLC (A & A), doing business as “Mayim Enterprises”, will enable the Department of Beaches and Harbors (Department) to provide beachgoers and Marina visitors with bottled water, as well as a variety of beverages that support the Board-approved Los Angeles County Food Policy’s Healthy Beverage Guidelines. The placement of up to 100 vending machines on the beaches and in the public areas of Marina del Rey will provide fluids to members of the public, which will help prevent dehydration. Additional beachgoer and visitor benefits include annual payments provided by A & A in the amount of \$287,500 to the Department over the three-year agreement term, which will help to underwrite the Department’s operational and beach maintenance costs. If the agreement extends into the option years, an additional \$375,000 will be paid.

A & A will make the following annual payments to the Department:

- Agreement Year 1 - \$1,250 per vending machine, but no less than \$62,500
- Agreement Year 2 - \$1,250 per vending machine, but no less than \$100,000
- Agreement Year 3 - \$1,250 per vending machine, but no less than \$125,000
- Agreement Year 4 - \$1,250 per vending machine, but no less than \$125,000
- Agreement Year 5 - \$1,250 per vending machine, but no less than \$125,000
- Agreement Year 6 - \$1,250 per vending machine, but no less than \$125,000

TOTAL GUARANTEED THREE-YEAR SPONSORSHIP VALUE: \$287,500

TOTAL POTENTIAL SIX-YEAR SPONSORSHIP VALUE: \$662,500

In exchange for the benefits described above, A & A will receive the non-exclusive right to place, operate and sell beverages from vending machines on Los Angeles County beaches and in Marina del Rey. A & A will also have the right to advertise its name identification on the front of each vending machine, with the A & A logo and contact number displayed on a sticker no larger than 3” x 5”. Along the topmost portion of each vending machine, A & A will also place a written public service message on a 3” H x 37” W sticker that promotes the consumption of healthy beverages. Finally, A & A will have the right to sell to third parties advertising space that may cover both side panels. A & A will pay the Department 25% of all revenue from advertising sales, which will be paid semi-annually.

Implementation of Strategic Plan Goals

This Agreement promotes the County’s Strategic Plan “Operational Effectiveness” Goal 1, “Fiscal Sustainability” Strategy 1 by providing private sector funding to help maintain beach operations,

particularly important given the current economic climate. It also promotes the County's Strategic Plan "Health and Mental Health" Goal 4 by providing healthier beverages to the public that follow the County's Food Policy's Healthy Beverage Guidelines, thus helping beachgoers to make healthy lifestyle choices, while also offering necessary hydration.

FISCAL IMPACT/FINANCING

The Agreement provides the Department with \$287,500 in cash during its three-year term, in addition to 25% of all revenue from A & A advertisement sales. If the Agreement extends all six years, the County will receive a minimum of \$662,500.

Operating Budget Impact

The projected revenue of \$62,500 from the Agreement's first annual payment has been accounted for in the Department's FY 2011-12 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to California Government Code Sections 26109 and 26110, the Board adopted Chapter 2.132 of the Los Angeles County Code, which authorizes the Board to enter into sponsorship agreements for the commercial and/or advertisement use of County property. The proposed sponsorship agreement with A & A has been negotiated pursuant to this authority.

A & A may use the services of a separate agency to sell advertising on the vending machines, but any subcontract must receive prior express written consent of the Department. However, A & A will indemnify the County for any liability incurred through such a separate agency and will oversee its activities.

At its March 23, 2011 meeting, this sponsorship in concept was reviewed by the Beach Commission, which did not have a quorum. The Commission endorsed the Agreement by a majority vote of eight with no opposing votes. County Counsel has approved the Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

Approval of this Agreement is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to classes 4 (f) and (j) of the County's Environmental Document Reporting Procedures and Guidelines, as a minor temporary use of land in connection with the permitted use of County-owned and/or operated property.

CONTRACTING PROCESS

Since March 2010, the Department has sent out beach sponsorship packages to major beverage companies that sell and/or distribute carbonated drinks, bottled water, energy/sports drinks, coffee drinks, iced teas and/or fruit juice drinks. Additionally, beach sponsorship packages were sent to over 43 companies, ranging in variety from telecommunications to petroleum companies, and to over

20 advertising agencies, with follow-up from Department marketing staff to the advertising agencies. The sponsorship opportunity was also posted on the Department's website.

The Department received a proposal from A & A on February 1, 2011. After receiving no other proposals or further interest in the program from solicited companies, the Department selected A & A's proposal and negotiated this Agreement, as it presented the best offer for the County for a beverage sponsorship.

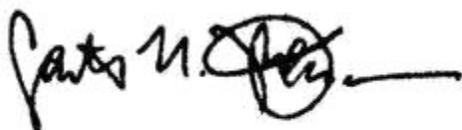
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The funding and healthy beverage varieties available in each vending machine provided by this Agreement will allow the Department to continue to provide exemplary service to Los Angeles County residents and visitors, supporting the Department's ongoing commitment to provide the best recreational environment for the 60 million annual visitors to our County's beaches.

CONCLUSION

Authorize the Executive Officer of the Board to send one approved copy of this letter, as well as four executed copies of the Agreement, to the Department of Beaches and Harbors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Santos H. Kreimann", followed by a horizontal line extending to the right.

SANTOS H. KREIMANN

Director

SHK:ks

Enclosures

c: Chief Executive Office
Acting County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES
DEPARTMENT OF BEACHES AND HARBORS

NON-EXCLUSIVE BEACH BEVERAGE SPONSORSHIP AGREEMENT

THIS AGREEMENT, made and entered into this 12th day of July, 2011,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "COUNTY"

And

A & A LEVINE ENTERPRISES, LLC, a California limited liability company, doing business as "Mayim Enterprises", hereinafter referred to as "SPONSOR"

WITNESSETH:

WHEREAS, COUNTY is authorized by California Government Code Sections 26109 and 26110 and pertinent provisions of the Los Angeles County Code Chapter 2.132 to sell the right(s) to vend and advertise on those beaches and Marina del Rey located within Los Angeles County that are now or hereafter owned or operated by COUNTY ("Subject Property") and desires to generate revenue therefrom to assist in offsetting maintenance costs; and

WHEREAS, SPONSOR desires to purchase the non-exclusive right to place and operate Vending Machines on the Subject Property, the right to advertise SPONSOR'S Name Identification on the Vending Machines, and the right to sell advertising space on the Vending Machines.

IT IS THEREFORE agreed by and between COUNTY and SPONSOR as follows:

1. **Definitions:** As used herein, the terms set forth below shall be defined as follows:
 - A. "Advertising Space" shall mean the 72" H x 35.5" W area on the sides, and the 72" H x 37" W area on the front, of the Vending Machine that is designated for placement of advertisements to be sold by SPONSOR.
 - B. "Agreement Year" shall mean the 12-month period commencing on the date that this Agreement is executed by the Los Angeles County Board of Supervisors, which shall become the effective date of this Agreement.
 - C. "Business Day" shall mean a day of the week, falling on Monday, Tuesday, Wednesday or Thursday; Friday and County Holidays are specifically excluded.
 - D. "Chief Lifeguard" shall mean the Chief of the Los Angeles County Fire Department Lifeguard Operations Division.
 - E. "Commencement Date" shall mean the date this Agreement is approved and executed by the Los Angeles County Board of Supervisors, which is the effective date of this Agreement.

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- F. "Department" shall mean the Los Angeles County Department of Beaches and Harbors.
- G. "Director" shall mean the Director of the Los Angeles County Department of Beaches and Harbors.
- H. "Gross Revenue" shall mean all revenue collected by SPONSOR within any Agreement Year from selling advertising placed within the Advertising Space on the Vending Machines.
- I. "Los Angeles County Beaches" shall mean those beaches over which the Department has jurisdiction or operational authority, which do not include Santa Monica Beach and Hermosa Beach.
- J. "Name Identification" shall mean any word(s), name(s), symbol(s) or any combination thereof that distinguishes SPONSOR and its services from others, which may be displayed on the front of the Vending Machines in the form of a sticker no larger than 3" x 5".
- K. "Product" shall mean individually-sized plastic water bottles from generic and brand name companies, as well as a variety of other beverages that follow the Los Angeles County Food Policy Nutrition Guidelines for Healthy Beverages (see Exhibit A).
- L. "Subject Property" shall mean those beaches and the publicly operated areas of Marina del Rey over which the Department has jurisdictional or operational authority, which does not include Hermosa Beach.
- M. "Vending Locations" shall mean those locations at which the public can purchase Product provided by SPONSOR through the use of Vending Machines as listed in Exhibit B.
- N. "Vending Machines" shall mean a bill/coin-operated or credit card compatible machine used on the Subject Property as installed and operated by SPONSOR.

2. Rights Granted by COUNTY

Subject to the conditions set forth below, COUNTY grants the following rights to SPONSOR, during the term of this Agreement.

A. Sale of Product Rights

COUNTY grants SPONSOR the right to place, maintain, operate and sell Product from a maximum of 100 Vending Machines on Subject Property.

B. Advertising Rights

COUNTY grants SPONSOR the right to display SPONSOR's Name Identification on the Vending Machines. COUNTY also grants SPONSOR the right to sell advertising on the Advertising Space of each Vending Machine.

3. Obligations of SPONSOR

A. Sale of Product

- 1) In exchange for the right to sell Product from the Vending Machines on Subject Property, SPONSOR agrees to pay the Department the following sponsorship fees in Agreement Years 1 through 3:

Agreement Year 1 - \$1,250 per Vending Machine, but no less than \$62,500
Agreement Year 2 - \$1,250 per Vending Machine, but no less than \$100,000
Agreement Year 3 - \$1,250 per Vending Machine, but no less than \$125,000

If the three-year extension is exercised, SPONSOR agrees to pay the Department the following fees in Agreement Years 4 through 6:

Agreement Year 4 - \$1,250 per Vending Machine, but no less than \$125,000
Agreement Year 5 - \$1,250 per Vending Machine, but no less than \$125,000
Agreement Year 6 - \$1,250 per Vending Machine, but no less than \$125,000

The first payment of \$62,500 is due on August 15, 2011, with each subsequent payment, in amounts as stated above, due and payable on July 1 of each succeeding Agreement Year. All late payments will accrue interest at an annual rate of 10% beginning the day after the payment is due.

- 2) SPONSOR shall pay all costs associated with and be responsible for installing, operating, restocking, collecting payments from, and removing the Vending Machines, as well as maintenance, repair, replacement and graffiti removal associated with the Vending Machines. SPONSOR is also responsible for the connection of Vending Machines at each location. SPONSOR must remove all damaged Vending Machines that the Department determines are a public safety hazard within two days (including weekends) of receiving the Department's written request. SPONSOR shall repair to the extent feasible, within five Business Days of being notified in writing by COUNTY, any damaged, vandalized, and/or graffitied Vending Machine.
- 3) As soon as practical following the execution of this Agreement, SPONSOR shall install Vending Machines on the Subject Property in the locations specified in Exhibit B at SPONSOR's expense.

B. Advertising

- 1) In exchange for the advertising rights granted herein, SPONSOR shall pay the Department 25% of SPONSOR's Gross Revenue for that Agreement Year, made in two annual payments on October 15 and April 12 of each Agreement Year, for all Advertisement Space sales that are sold by the SPONSOR on the Vending Machines. All late payments will accrue interest at an annual interest rate of 10% beginning the day after the payment is due.
- 2) SPONSOR shall provide COUNTY with a copy of all contracts upon request

for Vending Machine advertising for auditing purposes only.

C. Record Retention and Inspection

SPONSOR shall maintain accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. SPONSOR agrees that COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, shall be kept and maintained by SPONSOR and shall be made available to COUNTY during the term of this Agreement and for a period of five years thereafter unless COUNTY's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by SPONSOR at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at COUNTY's option, SPONSOR shall pay COUNTY for travel, per diem, and other costs incurred by COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.

D. Subcontracting

Performance of the Agreement work may not be subcontracted out without the prior express written consent of the Director or authorized representative.

E. Public Service Message

SPONSOR shall provide a written public service message that promotes the consumption of healthy beverages, to be displayed on a 3" H x 37" W sticker along the topmost portion of the Vending Machine. SPONSOR must obtain written approval from the Department prior to the production of intended copy to be displayed on Vending Machine.

4. Obligations of COUNTY

In exchange for SPONSOR's fulfillment of its obligations, COUNTY agrees to the following:

- A. The Department will provide motor vehicle training for all drivers of or for SPONSOR who will be driving on the Subject Property. The Department shall provide SPONSOR's employees, contractors, agents, volunteers, successors and assignees with permits or other rights necessary to have access to the Subject Property to enable SPONSOR to exercise its rights and perform its obligations hereunder at no additional cost to SPONSOR. The Department may, upon written notice to SPONSOR, refuse entrance to the Subject Property to those of SPONSOR's employees, contractors, agents, volunteers, successors or assignees who fail to conform to any regulations or procedures for driving on Subject Property.
- B. Any construction or electrical work required to accommodate the placement of

Vending Machines shall be at the Department's expense.

5. Approval Process

- A. SPONSOR shall request and must obtain Department approval in writing for all proposed advertising copy, promotional logo usage and promotional material set forth in detail hereafter, which approval shall not be unreasonably withheld or delayed. SPONSOR shall present such content or any type of pictorial presentation as may be necessary for the Department to adequately review the request(s) prior to the production of intended copy to be displayed in Advertising Space. The Department and the Chief Lifeguard shall respond in writing either approving or rejecting the request within five Business Days. This prior approval requirement applies to SPONSOR's following rights:
- 1) All proposed advertising, promotional, internet and website usage, and radio and television commercials or any other proposed display or promotional material with respect to any of the rights granted in this Agreement; and
 - 2) Any proposed change in the number or location of Vending Machines, which will be granted no earlier than six months after the Commencement Date.
- B. The SPONSOR agrees that all advertisements to be placed in the Advertising Space shall be in appropriate taste for all ages, including children. Such advertisements shall not include political advertising, materials critical of government agencies, advertisements of an indecent, obscene, pornographic or sexually explicit nature, materials advocating the use of illegal substances, tobacco or alcohol products, or advertisements for or by any companies in direct competition with COUNTY's exclusive sponsorships on Los Angeles County Beaches as defined by COUNTY in the following categories: (1) automobiles (not including automotive parts sold by companies that are not in competition for automobile sales with COUNTY's sponsor in this category) and (2) any other exclusive sponsorship granted by COUNTY on Los Angeles County Beaches, unless such advertising is sold prior to notification to SPONSOR by COUNTY of the conflicting grant of exclusive sponsorship and subsequently placed in the Advertising Space up to six months after such notification.
- C. At its sole and reasonable discretion, COUNTY may reject any and all advertisements proposed for placement in the Advertising Space which it deems to fail to comport with the requisites of this Agreement.
- D. Any failure by the Director and/or Chief Lifeguard to so respond to any of SPONSOR's requests for approval within five Business Days shall not be deemed to constitute their approval of the submitted item(s), and only affirmative approval(s) from the Director and/or Chief Lifeguard will constitute such approval. If after five Business Days, the COUNTY has not responded, SPONSOR will send COUNTY a written notice; if the COUNTY has not responded within five Business Days after receiving SPONSOR's written notice, the advertising is deemed approved.

6. Term and Extension of Rights

This Agreement shall be effective from the Commencement Date and shall continue until the end of the third Agreement Year, subject to a possible extension.

SPONSOR and COUNTY must mutually agree on the one additional three-year term, which may be considered so long as the following conditions are satisfied:

- A. SPONSOR informs the Director in writing of SPONSOR's request to exercise the option to extend the Agreement at least 180 days prior to the termination of the third Agreement Year;
- B. Terms of the extended Agreement are consistent with all policies approved by the Los Angeles County Board of Supervisors at that time; and
- C. SPONSOR has complied with all material provisions of the Agreement during the term of the Agreement.

Upon receipt of SPONSOR's written request and the Director's determination that conditions A through C above have been satisfied, the Director shall respond to SPONSOR in writing whether he consents to such extension within 60 days of receiving the request.

7. Indemnification

SPONSOR agrees to indemnify, defend and hold harmless COUNTY, its Special Districts, elected and appointed officers, employees and agents from and against any and all claims, demands, actions, causes of action, damages, costs and expenses (including without limitation attorney and expert witness fees), and Workers' Compensation benefits, resulting from or in any way attributable to any Vending Machines, Product or other items placed, maintained, or distributed by SPONSOR, its employees, contractors, agents, volunteers, receivers, successors or assignees in connection with this Agreement, and further including any illegal competition or trade practices, claim of false or deceptive advertising, common-law and/or statutory, arising out of, connected with or as a result of SPONSOR's conduct under this Agreement, and SPONSOR will bear all costs of litigation, including reasonable attorney's fees, in defending COUNTY against any lawsuits alleging same.

SPONSOR shall indemnify, defend and hold harmless COUNTY, its Special Districts, elected and appointed officers, employees and agents from and against any and all claims, demands, actions, causes of action, damages, costs and expenses (including without limitation attorney and expert witness fees), and Workers' Compensation benefits arising out of or related to SPONSOR's acts or omissions pursuant to this Agreement.

8. General Insurance Requirements

Without limiting SPONSOR's indemnification of COUNTY, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, SPONSOR shall provide and maintain at its own expense insurance coverage satisfying the

requirements specified below in this Section 9 and the "Insurance Coverages" Section 10 of this Agreement. These minimum insurance coverage terms, types and limits are in addition to and separate from any other contractual obligation imposed upon SPONSOR pursuant to this Agreement. COUNTY in no way warrants that the required insurance is sufficient to protect SPONSOR for liabilities that may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to COUNTY

A certificate(s) of insurance coverage (Certificate) satisfactory to COUNTY, and a copy of an Additional Insured endorsement confirming COUNTY and its agents (defined below) have been given insured status under SPONSOR's General Liability policy, shall be delivered to the Department at the address shown below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to the Department not less than ten days prior to SPONSOR's policy expiration dates. COUNTY reserves the right to obtain complete, certified copies of any required SPONSOR and/or subcontractor insurance policies at any time.

Certificates shall identify all required insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The insured party named on the Certificate shall match the name of SPONSOR identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, and the amounts of any policy deductibles or self-insured retentions exceeding \$50,000.00, as well as list any COUNTY required endorsement forms.

Neither the Department's failure to obtain an insurance certificate or endorsement provided by SPONSOR in compliance with Section 9, nor the Department's receipt of or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by SPONSOR, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the required insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Beaches and Harbors
Community and Marketing Services Division
13837 Fiji Way
Marina del Rey, CA 90292
Attn: Catrina M. Love, Senior Marketing Analyst

SPONSOR also shall promptly report to the Department any injury or property damage accident or incident, including any injury to a SPONSOR employee, occurring on COUNTY property, and any loss, disappearance, destruction, misuse, or theft of COUNTY property entrusted to SPONSOR. SPONSOR also shall promptly notify the Department of any third party claim or suit filed against SPONSOR or any of its subcontractors that arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against SPONSOR and/or COUNTY.

B. Additional Insured Status and Scope of Coverage

The County of Los Angeles, its special districts, elected officials, officers, agents, employees and volunteers (collectively COUNTY and its agents) shall be provided additional insured status under SPONSOR's General Liability policy with respect to liability arising out of SPONSOR's ongoing and completed operations performed pursuant to this Agreement. The additional insured status of COUNTY and its agents shall apply with respect to liability and defense of suits arising out of SPONSOR's acts or omissions, whether such liability is attributable to SPONSOR or to COUNTY. The full policy limits and scope of protection also shall apply to COUNTY and its agents as an additional insured, even if they exceed COUNTY's minimum required insurance specifications herein. Use of an Automatic Additional Insured Endorsement form is acceptable providing it satisfies the required insurance provisions herein.

C. Cancellation of or Changes in Insurance

SPONSOR shall provide COUNTY with, or SPONSOR's insurance policies shall contain a provision that COUNTY shall receive, written notice of cancellation or any change in required insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to COUNTY at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in required insurance may constitute a material breach of the Agreement, in the sole discretion of the COUNTY, upon which the County may suspend or terminate this Agreement.

D. Failure to Maintain Insurance

SPONSOR's failure to maintain or to provide acceptable liability insurance evidence 15 days after a written demand that it maintain the required insurance shall constitute a material breach of the Agreement, upon which COUNTY may immediately suspend or terminate this Agreement.

E. Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to COUNTY with A.M. Best ratings of not less than A:VII unless otherwise approved by COUNTY.

F. SPONSOR's Insurance Shall Be Primary

SPONSOR's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to SPONSOR. Any COUNTY maintained insurance or self-insurance coverage shall be in excess of and not contribute to any SPONSOR coverage.

G. Waivers of Subrogation

To the fullest extent permitted by law, SPONSOR hereby waives its rights and its insurer(s)' rights of recovery against COUNTY under all the required insurance for any loss arising from or relating to this Agreement. SPONSOR shall require its insurers to execute any waiver of subrogation endorsements that may be necessary to effect such waiver.

H. Subcontractor Insurance Coverage Requirements

SPONSOR shall include all subcontractors as insureds under SPONSOR's own policies, or shall provide COUNTY with each subcontractor's separate evidence of insurance coverage. SPONSOR shall be responsible for verifying that each subcontractor is compliant with the required insurance provisions herein and shall require that each subcontractor name COUNTY and SPONSOR as additional insureds on the subcontractor's General Liability policy. SPONSOR shall obtain COUNTY's prior review and approval of any subcontractor request for modification of the required insurance.

I. Deductibles and Self-Insured Retentions (SIRs)

SPONSOR's policies shall not obligate COUNTY to pay any portion of any SPONSOR deductible or SIR. COUNTY retains the right to require SPONSOR to reduce or eliminate policy deductibles and SIRs as respects COUNTY or to provide a bond guaranteeing SPONSOR's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

J. Claims-Made Coverage

If any part of the required insurance is written on a claims-made basis, any policy's retroactive date shall precede the effective date of this Agreement. SPONSOR understands and agrees it shall maintain such coverage for a period of not less than three years following Agreement expiration, termination or cancellation.

K. Application of Excess Liability Coverage

SPONSOR may use a combination of primary and excess insurance policies that provide coverage as broad as ("follow form" over) the underlying primary policies to satisfy the required insurance provisions.

L. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

M. Alternative Risk Financing Programs

COUNTY reserves the right to review, and then approve, SPONSOR's use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the required insurance provisions. COUNTY and its agents shall be designated as an Additional Covered Party under any approved program.

N. COUNTY Review and Approval of Insurance Requirements

COUNTY reserves the right to review and adjust the required insurance provisions, conditioned upon COUNTY's determination of changes in risk exposures.

9. Insurance Coverages

- A. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming COUNTY and its agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- B. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of SPONSOR's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- C. Workers' Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If SPONSOR will provide leased employees, or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming COUNTY as the Alternate Employer, and the endorsement form shall be modified to provide that COUNTY will receive not less than 30 days' advance written notice of cancellation of this coverage provision. If applicable to SPONSOR's operations, coverage also shall be arranged to satisfy the requirements of any federal Workers' Compensation law or any federal occupational disease law.

10. Default and Termination

- A. A party ("breaching party") shall be deemed to be in default of this Agreement upon one or both of the following conditions:
- 1) The breaching party fails to perform its obligations under this Agreement, and the breaching party fails to cure such failure within ten days after the breaching party's receipt of written notice by the other party describing the nature and extent of the failed performance. However, if the occurrence of such failure to perform is due to fire, earthquake, or other events reasonably beyond the control of the breaching party, the non-breaching party shall grant a reasonable extension of time within which the breaching party may meet its obligations, the length of time for such extensions to be reasonably determined by the non-breaching party; or
 - 2) A party shall become bankrupt or insolvent, or enter into liquidation, or has a receiver appointed and is thereby prevented from fulfilling its obligations.

- B. Upon the occurrence of either of the foregoing conditions, the non-breaching party shall have the right to terminate this Agreement within 30 days after serving notice to the breaching party. Any adjudication of rights arising as a result of default under this Agreement shall be limited to a determination of monetary damages due.
- C. Neither party shall be held liable for any damages caused to the other by virtue of its failure to perform any obligation hereunder when said failure to perform is a result of a court order issued by court of competent jurisdiction.
- D. The above actions granted to both parties in this Section shall be in addition to, and not in lieu of, any other rights and remedies to which either party may be entitled by law.

11. Waiver

Failure or inability of any party to enforce any right hereunder shall not waive any right to enforce said right or any other right covered by this Agreement in the future.

12. Notices

All notices and statements to be given hereunder shall be given to the designated persons at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Any such notice shall be sent by registered or certified mail and shall be effective upon receipt. SPONSOR shall maintain an address within California as the address to which such notice shall be given and shall designate an agent with a California address to accept service of process. The address for notice and agents for service of process are:

COUNTY: Department of Beaches and Harbors
Community and Marketing Services Division
13837 Fiji Way
Marina del Rey CA 90292
Attn: Catrina Love, Senior Marketing Analyst

SPONSOR: A & A Levine Enterprises
6451 Bellaire Ave.
North Hollywood, CA 91606
Attn: Alana Meiners-Levine & Robert Levine

13. Assignment

Neither party shall have the right to assign or delegate any of its rights or obligations hereunder to any third party without prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

14. Compliance with Law, Rules and Regulations

Each party hereto shall comply with all applicable federal and state laws and regulations, as well as all municipal and county ordinances, rules and regulations, including but not limited to those relating to the Los Angeles County Department of Beaches and Harbors and the Los Angeles County Fire Department related in any way to the terms, provisions, use, or rights governed by this Agreement.

15. County Lobbyist

SPONSOR agrees that it shall comply, and that each "County Lobbyist" as defined in Los Angeles County Code Section 2.160.010 retained by SPONSOR shall fully comply, with the County Lobbyist Ordinance that is set forth in Los Angeles County Code Chapter 2.160. Failure on the part of any County Lobbyist retained by SPONSOR to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate this Agreement, upon written notice thereof to SPONSOR.

16. Severability of Provisions

Should any individual provision of this Agreement be declared void, the validity of the remainder of this Agreement will not be affected and will remain in full force and effect.

17. No Joint Venture

Nothing herein contained shall be deemed to constitute this Agreement as a joint venture or partnership between the parties and neither party of them shall be responsible for any obligations of the other, except as herein specifically provided.

18. Taxes and Assessments

The SPONSOR's interest in the Vending Machines or Product may be subject to taxation and/or assessment, and in the event this should occur, the SPONSOR shall pay all such taxes, assessments, fees or charges levied by local, state and/or federal governments before they become delinquent.

19. Termination for Improper Consideration

COUNTY may, by written notice to SPONSOR, immediately terminate the right of SPONSOR to proceed under this Agreement if it is found that consideration, in any form, was offered or given by SPONSOR, either directly or through an intermediary, to any COUNTY officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment for extension of the Agreement or the making of any determinations with respect to SPONSOR's performance pursuant to

the Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against SPONSOR as it could pursue in the event of default by SPONSOR.

SPONSOR shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with the supervision of the employee or to the COUNTY Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

20. Headings

The headings of the paragraphed sections of this Agreement are for convenience and reference only and shall not define or limit any of the terms or provisions hereof.

21. Amendment of Agreement

All amendments to the Agreement must be in writing and executed by all parties. If any such amendment does not materially change the scope of the Agreement, increase COUNTY's financial responsibility or impose additional liability on COUNTY, such amendment may be executed without approval of the Los Angeles County Board of Supervisors, but instead may be executed by the Director.

22. Governing Law

This Agreement and all of its terms and conditions thereof shall be governed by and construed in accordance with the laws of the State of California. SPONSOR agrees that the exclusive venue of any action arising from or connected with this Agreement shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

23. Entire Agreement

This Agreement contains the entire understanding between the parties relating to the subject matter herein contained and supersedes all previous communications, written or oral, with respect to the subject matter thereof.

24. Counterparts

This Agreement may be signed in any number of counterparts. Each counterpart shall represent an original of this Agreement, and all such counterparts shall collectively constitute one fully-executed document.

25. Successors and Assigns

The rights and obligations of the parties under this Agreement shall be binding upon the parties' respective successors and assigns.

IN WITNESS WHEREOF, SPONSOR has executed this Agreement, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board thereof, the day and year first above written.

(SPONSOR ACKNOWLEDGMENT)

SPONSOR

A & A Levine Enterprises, LLC

By: Alana Meiners-Levine
Alana Meiners-Levine

By: Robert Levine
Robert Levine

STATE OF CALIFORNIA}

COUNTY OF LOS ANGELES}

On June 23, 2011, before me a notary public within and for the State and County aforesaid, personally appeared Alana Meiners-Levine and Robert Levine, to me known to be the Co-presidents of A & A Levine, LLC., a California limited liability corporation, on behalf of which they executed the foregoing instrument, and acknowledged the same to be the free act and deed of said corporation.

- see attached Acknowledgment -
Notary Public, Los Angeles County, California
My commission expires: December 23, 2012

77589

COUNTY OF LOS ANGELES

By: Mike Antonovich
Mayor Michael D. Antonovich
Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

ATTEST

SACHI A. HAMAI
Executive Office-Clerk
of the Board of Supervisors

By: Sachelle Smitherman
Deputy



SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: Sachelle Smitherman
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Lawrence L. Hafetz
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13

JUL 12 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

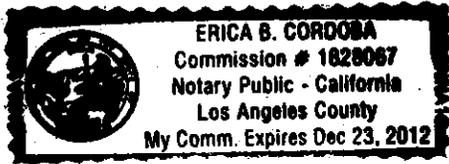
State of California

County of Los Angeles

On 6/23/2011 before me, ERICA B. CORDOBA NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared Alana Meiners-Levine & Robert Levine
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~are subscribed to the within instrument and acknowledged to me that ~~he~~~~she~~they executed the same in ~~his~~~~her~~their authorized capacity(ies), and that by ~~his~~~~her~~their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: NON-Exclusive beach beverage sponsorship agreement

Document Date: _____ Number of Pages: 15

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; font-weight: bold; font-size: small;">RIGHT THUMBPRINT OF SIGNER</p> <p style="text-align: center; font-size: x-small;">Top of thumb here</p> <div style="text-align: center; height: 100px;"> </div> | <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; font-weight: bold; font-size: small;">RIGHT THUMBPRINT OF SIGNER</p> <p style="text-align: center; font-size: x-small;">Top of thumb here</p> <div style="text-align: center; height: 100px;"> </div> |
|---|---|---|---|

Signer Is Representing: _____ Signer Is Representing: _____

Los Angeles County Food Policy Healthy Beverage Guidelines

ITEM	DEFINITION
Fruit Juice	Fruit-based drinks with at least 50% fruit juice and no added sweetener; vegetable-based drinks with at least 50% vegetable juice and no added sweetener.
Water	Drinking water with no added sweetener
Milk	2% fat milk, 1% low-fat milk, nonfat milk, soy milk, rice milk, and other similar non-diary milk
Soda	Prohibits carbonated beverages
Other Beverages	Allows an electrolyte replacement beverage (sports drink) with no more than 42 grams of added sweetener per 20-ounce serving

LIST OF VENDING MACHINE LOCATIONS

on Beaches Owned and/or Operated by Los Angeles County

BEACH	SITE NO.	LOCATION	ELECTRICAL OUTLETS	NO. OF MACHINES IN AGREEMENT YEAR 1	NO. OF MACHINES IN AGREEMENT YEAR 2	NO. OF MACHINES IN AGREEMENT YEAR 3
Royal Palms	1	At restrooms (west side)	2	1	2	2
White Point	2	Bluff Top Park adjacent to northeast side of restrooms	1	1	2	2
Torrance	3	Alongside Lifeguard Headquarters (west side)	2	1	2	3
	4	Hollywood Riviera at Restrooms (south east side)	3	1	2	3
		Hollywood Riviera at Restrooms (north east side)	2	1	2	3
Redondo	5	At restrooms south of Lifeguard Headquarters	3	1	2	3
	6	Avenue C adjacent to Lifeguard headquarters/Restrooms (west side)	2	1	2	3
	7	Knob Hill adjacent to Maintenance Building/Restrooms (west side)	2	2	2	3
Hermosa	8	Alongside south side of restrooms	1	1	2	2
		Alongside north side of restrooms	1	1	2	2
		Alongside east side of restrooms	2	2	2	3
Manhattan	9	Marine Ave. restrooms (north side)	2	2	2	3
	10	26th Street adjacent to restrooms (west side)	1	1	2	2
	11	Rosecrans Ave. adjacent to restrooms (east side)	1	1	2	2
	12	El Porto adjacent to restrooms (east side)	1	1	2	2
		El Porto adjacent to restrooms (south side)	1	0	1	1

BEACH	SITE NO.	LOCATION	ELECTRICAL OUTLETS	NO. OF MACHINES IN AGREEMENT YEAR 1	NO. OF MACHINES IN AGREEMENT YEAR 2	NO. OF MACHINES IN AGREEMENT YEAR 3
Dockweiler	13	RV Park adjacent to laundry room (north side)	1	1	2	2
	14	RV Park adjacent to restrooms in center of park (north side)	1	1	2	2
	15	RV Park adjacent to north side of restrooms at entrance	2	1	2	3
	16	Kilgore, west side of restrooms near Concession	3	1	2	3
	17	Restrooms south of parking lot #3	3	1	2	3
	18	Gillis, west side of restrooms	3	1	2	3
Marina del Rey	19	DBH Headquarters Building in MdR near front entrance	2	1	2	3
	20	Burton Chace Park adjacent to the transient dock facilities	1	1	2	2
	21	Mother's Beach picnic shelters near restroom/storage bldg (south side)	2	1	2	2
		Mother's Beach picnic shelters near restroom /storage bldg (north side)	2	2	2	2
Will Rogers	22	Adjacent to restrooms near Baywatch Lifeguard HQ (west side)	3	3	4	4
Topanga	23	East side of restrooms/Lifeguard HQ	1	1	1	2
Surfrider	24	Adjacent to restrooms (north side)	1	0	0	0
		Adjacent to restrooms (south side)	2	1	2	3
Point Dume	25	Adjacent to restroom #3 at southern end of beach	2	2	2	3
	26	Adjacent to Lifeguard building and restroom #2	2	2	2	3

BEACH	SITE NO.	LOCATION	ELECTRICAL OUTLETS	NO. OF MACHINES IN AGREEMENT YEAR 1	NO. OF MACHINES IN AGREEMENT YEAR 2	NO. OF MACHINES IN AGREEMENT YEAR 3	
Zuma	27	Westward Beach Road adjacent to restroom #1 (east side)	3	1	3	3	
	28	Adjacent to restroom #2 just past the entrance (south)	1	0	2	2	
	29	Adjacent to restroom #4 south side and just south of Lifeguard HQ	1	1	2	2	
		Adjacent to restroom #4 north side and just south of Lifeguard HQ	1	1	1	2	
	30	Adjacent to restroom #5 south of DBH maintenance building	1	1	2	2	
		Adjacent to restroom #5 south of DBH maintenance building	1	1	1	1	
	31	Adjacent to restroom #7 north of DBH maintenance building	1	1	1	1	
		Adjacent to restroom #7 north of DBH maintenance building	1	2	2	2	
	32	Adjacent to restroom #8 (south side)	1	1	1	2	
		Adjacent to restroom #8 (north side)	1	1	1	1	
	33	Adjacent to restroom #9 (south side)	1	1	1	1	
		Adjacent to restroom #9 (north side)	1	1	1	2	
	MACHINE TOTALS:				50	80	100